



MISSOURI TIMBER PRICE TRENDS

July-Sept., 2006, Vol. 16 No. 3

Missouri Department of Conservation, Forestry Division

Statewide Stumpage Prices

	High	Low	Avg.	Last Qtr.	Last Yr.	Vol.	# of Rpts.
Veneer							
Walnut, Black	\$1,875	\$1,875	\$1,875	\$835	\$3,335	4 Int. - MBF	1
Sawlogs							
Ash	\$75	\$75	\$75	\$135	\$60	2 Int. - MBF	1
Eastern Redcedar	\$135	\$135	\$135	-	-	2 Int. - MBF	1
Hickory	\$135	\$70	\$125	\$110	\$75	25 Int. - MBF	4
Mixed Hardwoods	\$190	\$100	\$170	\$70	\$205	64 Int. - MBF	4
Oak (mixed species)	\$190	\$100	\$165	\$135	\$125	1,246 Int. - MBF	9
Post Oak	\$200	\$70	\$150	\$110	\$80	92 Int. - MBF	7
Red oak (group)	\$300	\$80	\$185	\$205	\$180	2,006 Int. - MBF	15
Shortleaf Pine	\$135	\$100	\$105	\$90	\$10	74 Int. - MBF	3
Walnut, Black	\$625	\$625	\$625	\$605	\$620	11 Int. - MBF	1
White oak (group)	\$250	\$120	\$180	\$185	\$165	289 Int. - MBF	10

Central Stumpage Prices

	High	Low	Avg.	Last Qtr.	Last Yr.	Vol.	# of Rpts.
Veneer							
Walnut, Black	\$1,875	\$1,875	\$1,875	-	\$3,335	4 Int. - MBF	1
Sawlogs							
Ash	\$75	\$75	\$75	-	\$60	2 Int. - MBF	1
Hickory	\$70	\$70	\$70	\$90	\$85	2 Int. - MBF	1
Oak (mixed species)	\$100	\$100	\$100	-	-	24 Int. - MBF	1
Post Oak	\$120	\$70	\$115	\$90	-	29 Int. - MBF	2
Red oak (group)	\$120	\$80	\$100	\$90	\$105	75 Int. - MBF	3
Walnut, Black	\$625	\$625	\$625	-	\$620	11 Int. - MBF	1
White oak (group)	\$210	\$120	\$170	\$90	\$125	81 Int. - MBF	3

Southwest Stumpage Prices

	High	Low	Avg.	Last Qtr.	Last Yr.	Vol.	# of Rpts.
Sawlogs							
Oak (mixed species)	\$110	\$110	\$110	-	\$155	123 Int. - MBF	1

Southeast Stumpage Prices

	High	Low	Avg.	Last Qtr.	Last Yr.	Vol.	# of Rpts.
Sawlogs							
Eastern Redcedar	\$135	\$135	\$135	-	-	2 Int. - MBF	1
Hickory	\$135	\$100	\$130	\$125	\$75	23 Int. - MBF	3
Mixed Hardwoods	\$190	\$100	\$170	\$85	\$225	64 Int. - MBF	4
Oak (mixed species)	\$190	\$100	\$170	\$195	\$115	1,099 Int. - MBF	7
Post Oak	\$200	\$125	\$165	\$115	\$80	64 Int. - MBF	5
Red oak (group)	\$300	\$125	\$185	\$215	\$190	1,931 Int. - MBF	12
Shortleaf Pine	\$135	\$100	\$105	\$90	\$10	74 Int. - MBF	3
White oak (group)	\$250	\$125	\$190	\$220	\$180	208 Int. - MBF	7

Averages are based on received reports. Refer to the column headed “# of Rpts.” to get a gauge of how accurate the average prices may be (“# of Rpts.” refers to the number of sales including a particular species and may sum to more than the number of sales.) Changes since last quarter and last year should be read with caution as the number of reports varies each year and quarter. This report can only be used as a general guide for determining market value of timber. General market and economic conditions, as well as local considerations such as accessibility, terrain, sale size, and tree size and quality also affect the price paid.

Please see the map on page 7 for a definition of reporting regions.

Note: All prices and volumes are reported in International ¼” MBF Scale. To convert to Int.-BF prices or volume, divide by 1,000. To convert volume from Int.-MBF to Doyle MBF, divide by 1.2. To convert prices from Int.-MBF to Doyle MBF, multiply by 1.2.

Foresters reported stumpage prices resulting from 20 timber sales containing 4,116 MBF located throughout the state.

Editor’s Note

Remember that one of the most valuable sources for information on log and timber markets is the local Missouri Department of Conservation Resource Forester or your Consulting Forester. Contact the nearest Forest District office for up-to-date, local advice. The Missouri Department of Conservation's Forestry Division, (573) 751-4115, will be happy to provide you with the name and address of the Resource Forester or MDC Regional Office nearest to you. You can locate a Consulting Forester by visiting the Mo. Consulting Forester's Association web site at: www.missouriforesters.com or by visiting the Private Land Assistance page of the MDC website <http://mdc.mo.gov/landown/> and clicking on the “Conservation Assistance Contractors” link.

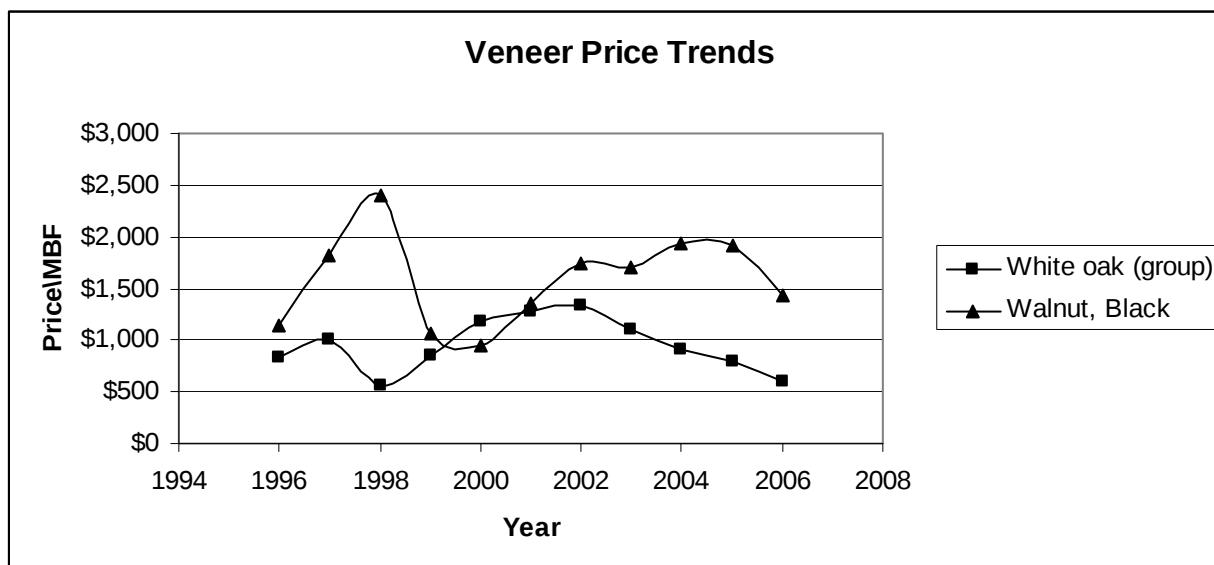
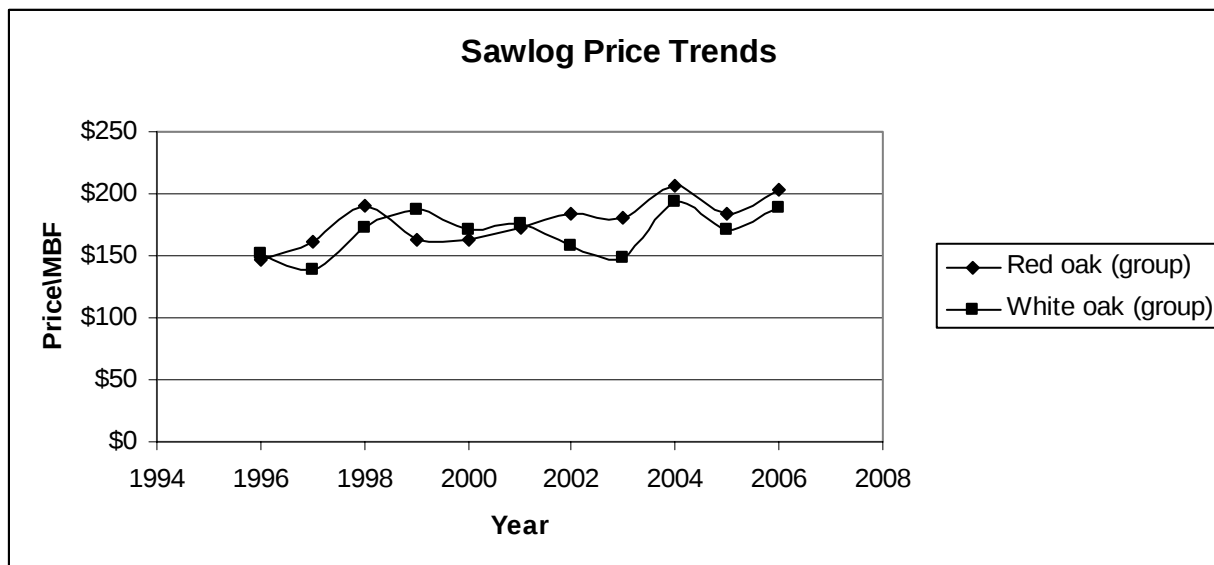
Tom Treiman and John Tuttle, Editors

Note: A “sale” often includes several different species so the number of sales may be less than the “# of Rpts.” (number of reports) listed in the tables.

Tree Scale Conversion Factors

Sawlogs - Veneer Logs	Int'l = Doyle x 1.2
Pulpwood Pine	5,200 lbs/cord
Hardwood (hard)	5,600 lbs/cord
Hardwood (soft)	4,200 lbs/cord

Timber Price Trends based on data collected over the last decade.



News from Missouri's Neighbors

Timber Mart-South reports that south-wide drought conditions led to lower average stumpage prices for all major timber products in the 2nd quarter of 2006. Prices were lower than last quarter and lower than the 2nd quarter of 2005. This seems to follow a trend of weak second quarters. For the past four years generally lower prices April through June compared to January through March.

Across the South, Timber Mart-South reports, mixed hardwood sawtimber stumpage prices fell modestly, 1.9 percent for the quarter and 1.6 percent from a year ago. A significant downward trend in red oak stumpage prices continued, according to reporters. Prices for other hardwood sawtimber species also fell. Hardwood pulpwood was the biggest loser in a down quarter, dropping 18.1 percent from last quarter and 23.2 percent from a year ago.

The Tennessee Forest Products Bulletin notes that red oak has been moving slowly but continuing to move. The lower log prices for much of Tennessee reflect the lower prices for red oak lumber. White oak continues to remain solid for both domestic and export production. Prices have moved up somewhat to reflect that in white oak lumber. Poplar has remained strong also. Some markets for maple have filled up as the supply has been up and down because mills have been cutting their logs to keep them from staining. Ash has slowed as well.

The Mississippi Timber Report states that hardwood mills had more than enough logs to meet demand during the quarter, but demand for oak logs for flooring markets kept high-grade hardwood sawtimber stumpage prices steady. Mixed hardwood sawtimber dropped 6.6% or \$1.88/ton to average \$26.37/ton. High-grade material held steady increasing 0.1% or \$0.04/ton to average \$30.86/ton while low-grade material decreased by \$2.58/ton or 10.3% to average \$22.47/ton. Hardwood pulpwood dropped \$1.70/ton or 23.2% to average \$5.64/ton. Flooring oak continues to be in demand and needs remain steady. Ties and pallet cants are strong and look to stay that way for a while.

Sources: Timber Mart South, Tennessee Forest Products Bulletin, Mississippi Timber Report

Housing and Timber

The Seattle Times reports that the cooling housing market is sawing into lumber prices. Industry data firm Random Lengths reported late Friday that its framing-lumber composite index fell to \$301 per thousand board feet for the week, off more than \$100 from \$403 a year earlier and down from \$305 in the prior week. The structural-panel composite index, representing prices for plywood and oriented strand board (OSB), suffered a steeper decline, falling to \$274 per thousand square feet, off from \$499 a year ago and \$298 a week earlier. The indexes have been in decline since about the fourth quarter of 2005, but the downturn has become steeper in the past couple of months. With current

prices close to production costs for many sawmills and plywood manufacturing plants, the magnitude of the price drop has surprised many industry analysts.

The rapid pace of the decline in wood-products prices could add an element of adventure for investors this month when forest-product companies begin reporting third-quarter earnings and their outlooks for the fourth quarter.

Sources: The Seattle Times, Random Lengths

The U.S. and Canada – Softwood “Agreement”?

The British Columbia Lumber Trade Council said late on Wednesday it had asked the Canadian Trade Minister for an extension of the deadline in order to bring it into effect in "an orderly fashion."

"In order to satisfy all the requirements needed to bring the agreement into effect, we are asking the government of Canada for a limited extension of time," said John Allan, president of the lumber council.

Emerson said in a radio interview that he is trying to be flexible on the timing but noted that "everybody's keen to get the thing done." Many firms in the lumber industry are desperate for cash as a U.S. housing slowdown has caused timber prices to slide.

"It should be addressed in the coming days," Emerson's press secretary Jennifer Chiu told Reuters.

On September 12, the two countries signed the seven-year deal that aims to end the longstanding trade dispute affecting \$7.4 billion annually in

Canadian softwood exports to the United States.

Ottawa had promised to start collecting an export tax on October 1 that would replace U.S. duties, which the Canadians said were unfair.

The deal will refund about \$4.3 billion of the \$5.3 billion Canadian softwood producers have paid in duties, a process Emerson has said should be over by the end of the year.

Canada supplies about a third of the softwood lumber -- such as spruce, pine and fir -- used in the U.S. market, mainly in housing construction and renovation.

Sources: Reuters

News from Missouri

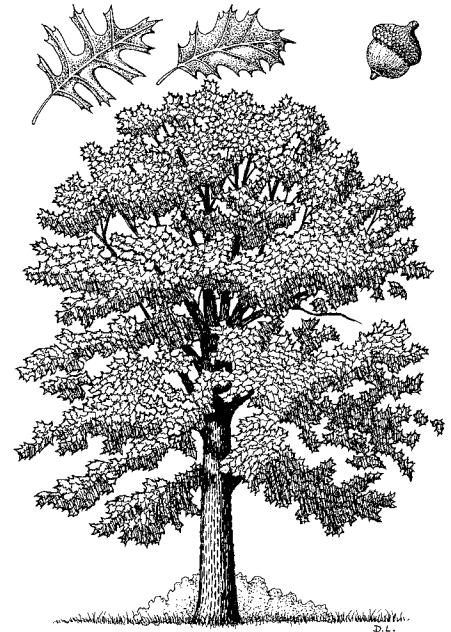
Sometime between January and May of 2007, the Missouri Department of Conservation (MDC) will be visiting all sawmills in Missouri doing the *Timber Product Output* survey. This survey helps us keep track of how much timber is coming out of Missouri's forest lands. It also allows us to compare how much timber is grown versus how much was harvested. So far across the state, Missouri is growing more timber than is harvested. This does not mean that your county is growing more timber than is harvested but it is a statewide average. The survey will consist of a paper form in which the MDC Forester will ask the sawmill owner a series of questions about volume harvested and how far the product was hauled to the mill. If you remember filling out a sawmill survey in the past from MDC it probably was the *Timber*

Product Output survey. When the forester comes by with the survey, I would appreciate your cooperation in filling out this survey. It really helps me and others when questions are being asked about what is happening with the timber resources in Missouri. Another way this survey helps is it answers question when prospective new mill owners want to relocate in an area. I can tell the new mill owner how much potential timber or mill residue is available for their operation.

I have been to 46 sawmills since July. I have had some good discussions with these mill owners. I really appreciate the time the sawmillers took from their busy schedule explaining their ideas and concerns. It is amazing how many sawmills there are in Missouri (approximately 458 mills) and how the mills are contributing to the local economy.

I want to thank all the loggers that are participating in the Professional Timber Harvester's (PTH) program from the Missouri Forest Products Association. I was skeptical of this training back when I was logging. Since my logging days, I decided there are many items presented in the PTH training that helped me do a better job both concerning personal safety and low residual tree damage. Landowners are starting to request PTH trained loggers because they too are interested in seeing the best job done on their property. If anyone is interested in attending a PTH training class or wants to see a list of trained loggers please visit MFPA's website at www.moforest.org or call them at 573-634-3252.

As always, please call if you have any comments on how I could enhance the Missouri Department of Conservation's Forest Products Program. John Tuttle (573)522-4115 ext: 3304.



Missouri Timber Price Trends tracks market prices for Stumpage. Reports on the Stumpage Market are received from Missouri Department of Conservation Resource Foresters and private consulting foresters. Stumpage refers to timber sold on the stump and does not reflect delivered mill prices. These reports should serve as a general guide to track stumpage prices. Landowners should not use this report to replace a timber inventory and marketing assistance as methods of conducting a sale. Missouri Department of Conservation Resource Foresters will be able to provide information on current, local market conditions. Details of all private sales and delivered prices are kept confidential.

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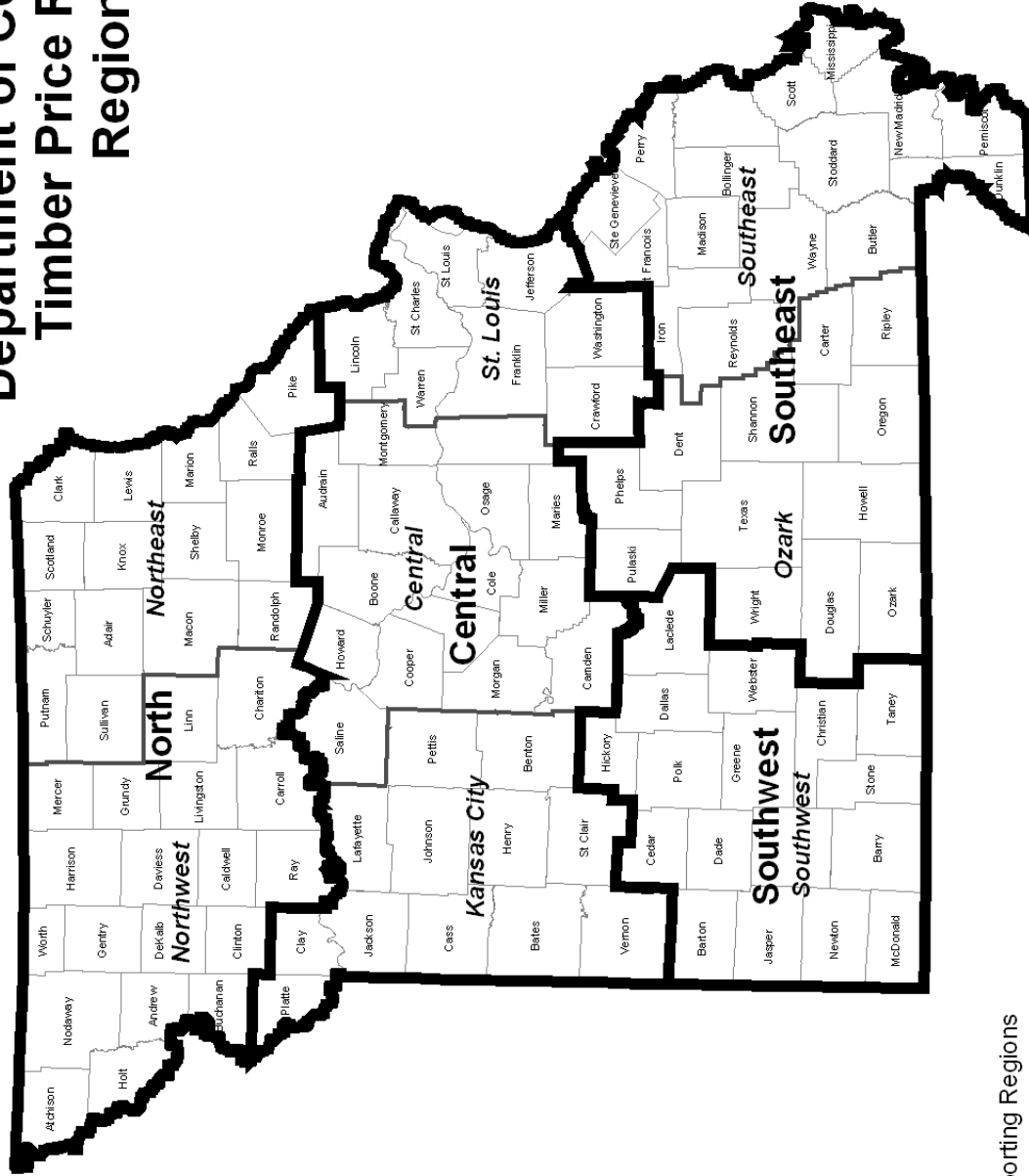
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Missouri Department of Conservation Timber Price Reporting Regions



- Legend**
- Price Reporting Regions
 - MDC Regions
 - County Boundaries



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Return Service Requested